

December 18, 2023

Marina Villas Association Members,

This letter is to provide a year-end summary of the November 10th Annual Meeting and provide insight regarding 2024 initiatives. A copy of the presentation is posted on the website, and we encourage you to review it for additional detail.

If you have questions about anything please contact the Board by replying to this message, or by emailing marinavillas.kk@gmail.com.

Board of Director's Report

Insurance/Grills

As the result of a risk assessment conducted by our property and liability insurance provider in late 2022, we were informed in March of 2023 that grills would no longer be allowed on back decks. A policy was implemented effective April 3 of this year to that effect, and we appreciate the cooperation of all residents in complying with this requirement despite our collective disappointment.

After receiving notice of this added restriction from our current insurance carrier, a search was begun for a carrier that would allow electric grills as we subsequently learned that open flame devices are banned from decks by Oconee County Fire Code. We've worked with 3 different agencies who in turn have contacted roughly 15 different insurance providers, none of whom will provide coverage allowing use of grills. The two carriers who we reported during the annual meeting that were still considering our application both came back with rejections citing the tight insurance market and age of our buildings.

Our search for alternative insurance options will be put on indefinite hold until or unless we learn of changes to current market conditions.

Survey Results

The owner survey that was conducted during this past summer identified the following areas that the Board will be acting on:

Owners Handbook

Many responses suggested that our Marina Villas Owners Handbook needed improvement. As a result, the Handbook has been reformatted and edited with the objective providing a document that is both complete and easy to navigate. Copies of this new edition have been distributed in hard copy both during the meeting as well as delivered directly to owners' doors. It is posted in electronic form on our website at [Resources \(marinavillaassociation.org\)](http://Resources(marinavillaassociation.org)).

Rentals

A majority of owner's indicated that they would like to see additional controls put in place governing rental units to minimize the occasional nuisance caused by renters. As a result, we have engaged a legal firm versed in Homeowners Association law to provide guidance on this issue and assist us in developing a plan to help ensure renter compliance with Marina Villas policies and rules.

Communication

Owners expressed a desire to have improved communication relative to Maintenance Requests and their status. Owners also expressed interest in more frequent updates from the Board regarding progress against objectives, projects, and financial status of the Association throughout the year. We'll be adding a section to Board Meeting minutes to communicate completion of specific maintenance requests and issuing quarterly reports including financial summaries.

Maintenance and Repairs

Top priorities for spending on maintenance remain painting of our buildings and rebuilding of chimney enclosures (chases) in addition to addressing regular repairs and sustaining our landscaping.

Four buildings were painted in 2023, with four more scheduled in each of 2024 and 2025. Buildings 320, 350, 240 and 100 are slated for 2024 with the remaining four on the East Blue Heron side to be completed in 2025.

We are accelerating rebuild of chimney chases based on the rapidly declining state of the remaining original structures. We have four units that are still of "first generation design" that will be rebuilt over the next 18 months after which we will continue to update "second generation" rebuilds until all structures are up to our current design standard. We have a total of 11 to address before all are completely up to date which is targeted by the end of 2026.

While it is easy to see opportunities for upgrading of landscaping around our community, our position is that our buildings take priority, meaning major changes to landscaping will be deferred until later in our planning horizon. We will be addressing some drainage and erosion issues that are judged to be more urgent and continuing to maintain the landscaping until projects involving the buildings are addressed.

Financial Report

A copy of forecast 2023 results and the preliminary 2024 budget are included with this letter and will be posted to our website. We anticipate ending 2023 with a higher cash balance than we had budgeted due to timing of spending on the maintenance priorities mentioned. There is a lot of work planned during December and into the first half of 2024 that will

consume these funds and return our cash position to budgeted levels. We will post the final 2024 budget once we finalize the 2023 results, which we anticipate sometime in mid-January.

Operating and Capital Assessments will remain flat for 2024 at \$900/quarter Operating and \$650/year for Capital projects. Implementation of the Capital assessment has enabled us to pull major projects forward including painting and chimney repairs by as much as three years while maintain a sound financial base.

In closing, we will be forming **two committees in 2024** to help organize periodic **social** events for our community and to provide input on **landscaping** needs, including development of a longer-term vision for our grounds and common areas. We are looking for two or three residents to serve on each of these committees. If you have interest in helping, please email us at marinavilla.kk@gmail.com.

Sincerely,

Marina Villas Association Board

Marina Villas Association **2023 Forecast and** **2024 Budget**

	2023	2024
Income:	Forecast	Budget
	<u>FY 2023</u>	<u>FY 2024</u>
Operating Fees	\$175,000	\$172,800
Transfer Fees	\$1,500	\$3,000
<u>Other income</u>	<u>\$400</u>	<u>\$0</u>
Total Income	\$176,900	\$175,800

Expenses:

Management Fees	\$16,320	\$17,000
Legal Fees/Prof. Service	\$500	\$5,000
Postage/Copy/Admin/Storage	\$1,100	\$1,050
Insurance	\$36,000	\$38,000
Taxes	\$0	\$0
<u>Social/Other Exp.</u>	<u>\$250</u>	<u>\$1,250</u>
Total Gen. and Admin.	\$54,170	\$62,300
Electricity	\$225	\$250
Water	\$1,900	\$1,750
Total Utilities	\$2,125	\$2,000
Grounds Expenses	\$5,000	\$7,500
Gutter/Glass Cleaning	\$5,600	\$6,000
Repairs	\$15,000	\$30,000
<u>Irrigation Maintenance</u>	<u>\$500</u>	<u>\$1,250</u>
Total Maintenance	\$26,100	\$44,750
Grounds Contract	\$15,750	\$16,500
Trash Removal	\$7,800	\$8,190
Pest Control	\$2,500	\$2,625
<u>Termite Bond</u>	<u>\$600</u>	<u>\$650</u>
Total Contracts	\$26,650	\$27,965
Subtotal Expenses	\$109,045	\$137,015
Net Surplus/(Deficit)	\$67,855	\$38,785

Operating Account:

Beginning Balance	\$61,579	\$49,434
Plus: Surplus/(Deficit)	\$67,855	\$38,785
Transfer (to) Reserve Acct	(\$80,000)	(\$50,000)
<u>Transfer From Reserve Acct</u>	<u>\$0</u>	<u>\$0</u>
Ending Balance	\$49,434	\$38,219

Capital Improvement Budget

Capital Improvement Income:

<u>Capital Improvement Fees</u>	<u>\$31,200</u>	<u>\$31,200</u>
Total Capital Income	\$31,200	\$31,200

Capital Improvement Expenses:

Building Improvements	\$50,500	\$74,000
Landscaping Improvements	\$7,000	\$12,000
<u>Infrastructure Improvements</u>	<u>\$0</u>	<u>\$14,000</u>
Total Capital Expenses	\$57,500	\$100,000
Net Suplus/Deficit	(\$26,300)	(\$68,800)

Reserve Account:

Beginning Balance	\$34,360	\$69,788
General Reserve Contribution	\$80,000	\$50,000
Capital Income	\$31,200	\$31,200
Capital Project Expense	(\$57,500)	(\$100,000)
<u>Other/Interest/Loan activity</u>	<u>(\$18,272)</u>	<u>(\$18,272)</u>
Ending Balance	\$69,788	\$32,716
Total Cash Funds	\$119,222	\$70,935

Capital Improvements:

Buildings:

- Paint 4 buildings
- rebuild 4 chimneys

Landscape:

- Drainage remediation
- Tree maintenance

Infrastructure:

- Potential irrigation upgrade